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Letter dated 9 May 2017 from the Chair of the Security Council Committee established pursuant to resolution 1988 (2011) addressed to the President of the Security Council

I have the honour to transmit herewith the eighth report of the Analytical Support and Sanctions Monitoring Team established pursuant to resolution 1526 (2004), which was submitted to the Security Council Committee established pursuant to resolution 1988 (2011), in accordance with paragraph (a) of the annex to resolution 2255 (2015).

I should be grateful if the report could be brought to the attention of the Council members and issued as a document of the Security Council.

(*Signed*) Kairat **Umarov**
Chair
Security Council Committee established
pursuant to resolution 1988 (2011)

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Letter dated 5 May 2017 from the Analytical Support and Sanctions Monitoring Team addressed to the Chair of the Security Council Committee established pursuant to resolution 1988 (2011)

I have the honour to refer to paragraph (a) of the annex to resolution 2255 (2015). In that paragraph, the Security Council requested the Monitoring Team to submit, in writing, two annual comprehensive, independent reports to the Committee on implementation by Member States of the measures referred to in paragraph 1 of the resolution, including specific recommendations for improved implementation of the measures and possible new measures.

I therefore transmit to you the Monitoring Team's eighth comprehensive report, pursuant to the above-mentioned request. The Monitoring Team notes that the original language of the report is English.

(*Signed*) Hans-Jakob **Schindler**
Coordinator
Analytical Support and Sanctions Monitoring Team
established pursuant to resolution 1526 (2004)

Eighth report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2255 (2015) concerning the Taliban and other associated individuals and entities constituting a threat to the peace, stability and security of Afghanistan

Summary

The present report provides an update on the situation in Afghanistan since the issuance of the seventh report of the Monitoring Team (S/2016/842) in October 2016. Since the selection of Haibatullah Akhundzada (not listed) as the new leader of the Taliban on 25 May 2016 (ibid., para. 1), the top leadership of the movement continues to be involved in discussions concerning the ability of Haibatullah Akhundzada to lead the movement militarily, as well as disputes concerning assets that used to be under the control of Mullah Mansour (listed as Akhtar Mohammad Mansour Shah Mohammed (TAi.011)). However, these discussions have not diminished the ability of the Taliban as a whole to exert violence inside Afghanistan. All interlocutors of the Monitoring Team expect a very challenging fighting season in Afghanistan, with the Taliban potentially threatening several provincial capitals both in the north and the south of the country. Compared with previous years and despite considerable losses during the fighting season in 2016, the fighting strength of the Taliban has not diminished, and interlocutors expect that the Taliban will be able to field significant numbers of fighters inside Afghanistan. Afghan interlocutors of the Team voiced concern regarding an increase in regional support for the Taliban.

The relationship between the Taliban and Al-Qaida, as well as Al-Qaida-affiliated groups, remains strong. Many fighters from Al-Qaida-affiliated groups, who formerly operated in the Afghanistan-Pakistan border area, have integrated into the Taliban, leading to a marked increase in the military capabilities of the Taliban. Interlocutors of the Team highlighted that Taliban income from the narcotics trade increased during 2016 owing to an increase in poppy growing areas in Afghanistan as well as a marked increase in the profits generated from opium production inside the country. Illegal mining activities and systematic extortion by the Taliban continue, adding to the income of the Taliban.

Following the delisting of Gulbuddin Hekmatyar from the ISIL (Da'esh) and Al-Qaida sanctions list on 3 February 2017, Hekmatyar returned to Afghanistan at the end of April 2017. However, despite several regional and international efforts, the Taliban continue to be reticent and currently do not demonstrate a willingness to enter into negotiations with the Government of Afghanistan.

During 2016, Islamic State in Iraq and the Levant (ISIL) (listed as Al-Qaida in Iraq (QDe.115)) lost a significant amount of territory inside Afghanistan, in particular in Nangarhar Province. Interlocutors of the Team highlighted that ISIL in Afghanistan continues to obtain regular financial support from ISIL-core in the Syrian Arab Republic and Iraq, and appears well equipped and funded. Despite the considerable military pressure exerted on the group by Afghan and international forces and the concentration of the majority of the group's fighters in the east of the country, ISIL was able to conduct one high-profile attack, in Kabul city. A significant number of foreign terrorist fighters who seem to have entered the country from the Afghanistan-Pakistan border area continue to operate inside Afghanistan. Interlocutors of the Team did not report high numbers of foreign terrorist fighters having returned from the Syrian Arab Republic or Iraq.

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I. Status of the Taliban

A. Status of Taliban leadership

1. Several interlocutors of the Monitoring Team reported some ongoing dissent among senior Taliban that is representative of friction between remaining pro-Mullah Mansour and Haibatullah Akhundzada factions. Reasons for dissent are primarily the question of Haibatullah Akhundzada's ability to lead militarily and over the distribution of finance, in particular funds formerly controlled by Mullah Mansour. Other interlocutors explained that the Taliban leadership was currently fractured between elements loyal to Haibatullah Akhundzada, Sirajuddin Jallaloudine Haqqani (TAi.144) and Abdul Qayyum Zakir (also known as Mullah Zakir Qayum, not listed). According to the interlocutors of the Team, these divisions were also of a tribal nature, with the Noorzai tribe reportedly having taken numerous field commander positions in order to strengthen its position within the Taliban movement at the reported expense of the Ishakzai tribe.

2. Interlocutors of the Team highlighted that the way in which Haibatullah Akhundzada was selected as the leader of the movement is still causing discussions within the Taliban leadership. One Member State reported to the Team that at the time of his selection by some power brokers within the Taliban leadership, it was agreed that Haibatullah Akhundzada would be confirmed by a wider Taliban shura at a later date. The fact that such a shura has not yet been convened is complicating attempts by Haibatullah Akhundzada to consolidate his position. In addition, some Taliban commanders continue to complain that Haibatullah Akhundzada's military leadership skills are weak.

3. However, these disputes within the leadership do not seem to have weakened the ability of the Taliban to operate militarily inside Afghanistan. Interlocutors of the Team outlined that the Taliban leadership had always been dominated by various factions and that the internal cohesion of the movement as a whole is weaker than it may appear from the outside. However, one Member State emphasized that despite these disputes, the movement had weathered the death of two of its leaders, Mullah Omar[1] and Mullah Mansour, and had therefore displayed a certain amount of resilience in the past two years. In addition, several Member States explained to the Team that Sirajuddin Jallaloudine Haqqani, as head of the "military commission" of the Taliban, has maintained a strong position inside the leadership and exerts influence over the overall military operations of the group. Several interlocutors of the Team also highlighted that during 2016, individual commanders such as Abdul Rahim Manan (also known as Mullah Manan, not listed) in Helmand and Mullah Salam[2] in Kunduz still coordinated large-scale attacks in the north and south of the country at the same time in order to maximize effect and put pressure on the Afghan and international forces.

4. While Sirajuddin Jallaloudine Haqqani occupies an influential position within the Taliban leadership, interlocutors of Team outlined that the Haqqani Network (TAe.012) continues to limit its operations to its "traditional" areas, Maidan Wardak, Logar, Paktia, Khost and Paktika provinces. Member State authorities therefore stressed that characterizing this as a "Haqqanization" of the Taliban as a whole would currently be an overstatement.

[1] Listed as Mohammed Omar Ghulam Nabi (TAi.004).

[2] On 27 February 2017, the Taliban reported the death of Mullah Salam during an air strike on 26 February in the Dasht-i-Archi district of Kunduz Province. See "statement of Islamic Emirate concerning martyrdom of Al-Haj Mullah Abdul Salam Akhund", published on the Taliban website on 27 February 2017.

B. Expectations for the 2017 fighting season

5. On 28 April 2017, the Taliban officially announced the beginning of the new fighting season, naming it "Operation Mansouri" in remembrance of the late Taliban leader, Mullah Mansour.[3] All Afghan and international interlocutors reported to the Monitoring Team that they expect 2017 to be a challenging fighting season for the Afghan and international security forces operating in Afghanistan. Afghan security and Government interlocutors are expecting the 2017 fighting to be difficult, with the Taliban seeking to gain territory and to take control of provincial capitals. Taliban forces are reportedly obtaining better equipment and support than previously, including through the continued flow of night vision equipment and sniper rifles into the southern provinces of Afghanistan in support of Taliban operations. It was reported to the Monitoring Team that the Taliban may be in possession of a small number of Blowpipe surface-to-air missiles, although they have not been seen in operation yet. It is expected that provincial capitals will again be at risk of attack from Taliban forces; however, Member States assess that the Taliban will not be able to sustainably hold cities.

6. According to information received by the Monitoring Team from Afghan and international interlocutors, the Taliban have planned in detail their overall operations for the 2017 fighting season. Among other things, Afghan officials reported that several meetings of the Taliban leadership had been held during the winter, including a 15-day seminar. At that meeting, the leadership appointed 33 new "directors". Although such meetings ahead of the fighting season are not uncommon, these meetings started earlier than in previous years. This may point to detailed preparations concerning the overall strategy for the fighting season.

7. Taliban strength has not diminished since the seventh report of the Team, in October 2016 (see S/2016/842, para. 30). Estimates of Taliban numbers vary widely from different Member State interlocutors of the Team, ranging from 25,000 up to an upper estimate of 88,000. These varying numbers are likely to be due to differing ways in which the respective interlocutors of the Team count fighters and facilitators and whether or not fighters from other insurgency groups operating inside Afghanistan are included. Furthermore, the continuing ebb and flow of territorial control during the fighting makes reliable estimates of overall numbers challenging. Several Member States also highlighted that many of the Taliban fighters double as farmers in the narcotics business and only appear as Taliban fighting forces between the planting and harvesting seasons. In any case, all interlocutors of the Team emphasized that the Taliban did not appear short of fighters, funds, weapons or ammunition at any time during the fighting.

8. Afghan interlocutors also reported to the Team that additional numbers of Taliban fighters have entered southern Afghanistan from the Afghanistan-Pakistan border area, allegedly inserting themselves within recent movements of refugees to remain inconspicuous. Afghan authorities also indicated that their information points to a focused effort by the Taliban to bring in even larger numbers of fresh fighters for the 2017 fighting season. These interlocutors further highlighted that the Taliban continue to benefit from safe havens in the Afghanistan-Pakistan border area, which enables their fighters to rest and recuperate. Several Member States highlighted to the Team that during 2016, some of the Quetta Shura considered relocating to Helmand Province in order to send a strong political signal that the Taliban had truly returned to Afghanistan. According to these interlocutors of the Team, a small number of Taliban leaders have now done so, including the Taliban

[3] "Statement of the Islamic Emirate regarding the inauguration of the spring offensive 'Operation Mansouri'", published on the Taliban website on 28 April 2017.

"shadow governor" for Helmand, Abdul Rahim Manan (also known as Mullah Manan, not listed). Taliban fighters have kept pressure on Afghan forces over the winter season and, according to Afghan authorities, did not retire over the border to the same extent as in previous years.

9. According to several Member States, the Taliban have again set themselves the key objective in 2017 of taking and holding a provincial capital. During the summer of 2016, the movement tried to achieve this aim three times in Kunduz city, Kunduz Province, twice in Lashkar Gah, Helmand Province, twice in Tirin Kot, Uruzgan Province, and once in Farah city, Farah Province. Afghan forces had therefore been seriously challenged eight times during 2016. On each occasion, the Afghan military retained control, with support from international forces. Afghan authorities highlighted to the Team that in October 2016, four provincial capitals were being attacked at the same time. These attacks were repulsed, but the Taliban eventually managed to enter Kunduz by infiltrating their fighters into the town and attacking from within. Indeed, they hoisted their flag in the district administrative centre. Afghan forces then spent the next 12 days clearing the centre. Afghan forces' capabilities have benefited from the positive trajectory of the Afghan Air Force, which started carrying out operations in April 2016 and by February 2017 was reported by Afghan interlocutors to have conducted 140 air strikes, which considerably assisted ground forces.

10. Afghan interlocutors have reported that during 2016, the Taliban retained a measure of control in nine district administrative centres, in six districts in Helmand Province alone, with a further 38 districts under high threat. Interlocutors reported that currently within Kandahar Province, 11 out of 13 provincial districts are considered to be under "high threat", a category indicative of government control being limited to the district administrative centres. Several interlocutors stated that the Taliban control around 30 per cent of the country. The Taliban are also continuing their strategy of controlling roads, not least through the tactic of delivering night letters and telephoning guard posts to warn them of impending attack, offering the occupants the choice of fleeing and living or facing large numbers of attackers.

11. The Monitoring Team has regularly highlighted allegations of regional support for the Taliban in its previous reports. However, Afghan interlocutors in recent months have reported to the Team that the Taliban receive support in some form from additional Member States neighbouring Afghanistan and in the wider region, apparently in order to support the Taliban in their fight against ISIL. However, concrete details of what this support entails remain very limited. One Member State reported that weapons and ammunition shipments going to the Taliban had recently been intercepted in the north of Afghanistan. According to this Member State, these weapons and ammunition were smuggled across the border into Afghanistan. The Member State reported that there was no indication on the weapons themselves as to their origin. The Monitoring Team was informed by Afghan officials that these issues are being raised bilaterally with the countries concerned.

12. In its resolution 2255 (2015), the Security Council emphasized its serious concern about the illicit brokering in arms and related materiel and arms trafficking, and the illicit flow of small arms and light weapons into Afghanistan, and emphasized the need for enhancing control over the transfer of small arms and light weapons.

13. **The Monitoring Team therefore recommends that the Committee write to all Member States to encourage those that have not yet done so, in accordance with their national laws and regulations, to further develop their national**

mechanisms for sanctions implementation, including implementation of the asset freeze and arms embargo.

C. Taliban and Al-Qaida

14. Afghan interlocutors of the Team described the Taliban as having provided an umbrella for all the foreign terrorist groups operating in Afghanistan, excluding ISIL. According to the assessment of these Afghan officials, the Taliban movement actively cooperates with Al-Qaida (QDe.004), Al-Qaida in the Indian Subcontinent (AQIS), the Haqqani Network (TAe.012), Lashkar-e-Tayyiba (QDe.118), the Islamic Movement of Uzbekistan (QDe.010)[4] and others. They described this umbrella as the Taliban providing the space and protection for these groups to operate in Afghanistan in territory over which they have some measure of control. In exchange for this, interlocutors of the Team explained that these groups benefit the Taliban by providing them with expertise in specific areas, in particular military capabilities. Furthermore, this cooperation guarantees that the above-mentioned groups will remain loyal to the Taliban and will not forge alliances with ISIL.

15. It was reported to the Team that the Taliban facilitated the safe passage of fighters belonging to Al-Qaida-associated groups into Afghanistan after the Pakistani military mounted Operation Zarb-e-Azb in the Waziristan region. Afghan and international officials emphasized that fighters belonging to a number of Al-Qaida-associated groups, which had fled the military operation in Pakistan, had integrated into Taliban fighting forces. However, one Member State commented that members of Lashkar-e-Tayyiba based in Afghanistan retain a distinct identity and objectives, even while fighting in support of the Taliban. The military and combat expertise such fighters bring with them is considered to be of significant benefit to the Taliban and one of the important causes of the increased military capabilities the Taliban displayed during the 2015 and 2016 fighting seasons. Foreign fighters have demonstrated greater expertise than the Taliban in sophisticated battlefield techniques, including in the area of designing and constructing improvised explosive devices and sniper capabilities.

16. According to Afghan officials and several Member States, the connection between the Taliban and Al-Qaida remains strong, with Al-Qaida operatives being used particularly in facilitation and mentorship roles. Several Member States assessed that the number of Al-Qaida members acting in mentoring, advisory and coordination roles was small, and Afghan officials estimate the number to range between 100 and 120 individuals. Groups associated with Al-Qaida operate throughout Afghanistan. In southern Afghanistan, Lashkar-e-Tayyiba was reported by Afghan interlocutors as having an increased presence within Kandahar and Helmand provinces, while a large number of Al-Qaida-associated groups are reported in eastern Afghanistan, including Nangarhar and Kunar provinces, as well as in Zabul.

17. AQIS is still identifiable in southern Afghanistan as a distinct group, but with very limited numbers. Afghan interlocutors of the Team estimated that AQIS comprises around 200 fighters, who operate as advisers and trainers of the Taliban in the south of the country. Individuals associated with Al-Qaida core are active in

[4] One Member State explained to the Team that the Islamic Movement of Uzbekistan in the north of Afghanistan has been weakened during the past two years. According to the Member State, the group has suffered internal divisions, with a number of its fighters defecting to ISIL and joining the group in Nangarhar Province. Therefore, according to the assessment of these interlocutors of the Team, the group currently is not strong enough to present a threat outside the borders of Afghanistan.

Paktika, Paktia, Khost, Kunar and Nuristan provinces. Interlocutors of the Team explained that Aiman Muhammed Rabi al-Zawahiri (QDi.006) is still assumed to be in the Afghanistan-Pakistan border region, while other key personnel of Al-Qaida core, such as Sayf-al Adl (QDi.001) or Hamza al-Khalidi (not listed) are currently located outside Afghanistan within the region.

D. Taliban finances and connections to criminal organizations

18. Afghan interlocutors and figures published by the United Nations Office on Drugs and Crime (UNODC) suggest that during 2016, there was a record harvest from opium poppies. According to the UNODC report entitled "Afghanistan Opium Survey 2016", net opium cultivation increased by 10 per cent from 2015, while the average opium yield increased by 30 per cent.[5] The areas in which poppies were cultivated in Afghanistan rose to 201,000 hectares, which is the largest since 2013 and the third largest area since 1994.[6] According to Afghan and international interlocutors, the heavy fighting in Helmand was responsible for a slight decrease in poppy cultivation in that province.[7] However, Helmand Province still provided the largest area for poppy cultivation in Afghanistan, with 80,273 hectares.[8] In addition, the small decrease in the production in Helmand was more than compensated for by a significant increase in poppy production in the north of the country. For example, in 2016, Badghis Province experienced growth of 184 per cent in areas in which poppies were cultivated.[9]

19. In addition to the growth in cultivation, the total farm-gate value of the opium production rose by 57 per cent compared with 2015.[10] Afghan officials highlighted to the Team that currently more than 90 per cent of the narcotics production in Afghanistan falls within Taliban-controlled areas. Therefore, with the marked increase in production and value, Taliban income generated from the narcotics trade also significantly rose in 2016. This increase in income also compensated for the slight drop in income from external sources that the Taliban received in 2016.

20. Afghan interlocutors reported to the Team that the Taliban now play a direct part in the production, processing and trafficking of virtually all heroin being produced and exported from Afghanistan, rather than simply taxing these activities. This means that the Taliban are able to extract more income from opium and heroin than previously. Interlocutors of the Team also explained that it is likely that some military operations are specifically designed to facilitate trafficking.

21. In 2016, Afghan counter-narcotics forces specifically targeted processing laboratories and other trafficking facilities. A total of 105 processing laboratories under the control and management of the Taliban were destroyed, and 500 tons of material for drug production (opium, hashish and chemicals for processing) were seized. According to Afghan officials, the main laboratories of the Taliban were concentrated in Nangarhar, Paktika, Farah, Khost and Helmand provinces. There

[5] United Nations Office on Drugs and Crime (UNODC) and Afghanistan, Ministry of Counter-Narcotics, "Afghanistan Opium Survey 2016" (December 2016), p. 9.

[6] Ibid., p. 11.

[7] According to UNODC figures, cultivation in the province fell by 7 per cent compared with 2015. See UNODC and Afghanistan, Ministry of Counter-Narcotics, "Afghanistan Opium Survey 2016", p. 15.

[8] UNODC and Afghanistan, Ministry of Counter-Narcotics, "Afghanistan Opium Survey 2016", p. 15.

[9] From 12,391 hectares in 2015 to 35,234 hectares in 2016. See UNODC and Afghanistan, Ministry of Counter-Narcotics, "Afghanistan Opium Survey 2016", p. 15.

[10] UNODC and Afghanistan, Ministry of Counter-Narcotics, "Afghanistan Opium Survey 2016", p. 9.

were also large laboratories for hashish production in Kabul district. Afghan counter-narcotics forces are involved in the continuous targeting of trafficking and production facilities. According to interlocutors of the Team, the counter-narcotics forces of the Government of Afghanistan are able to use assets of the Afghan National Defence and Security Forces, but also receive significant support from international forces, including air support.

22. According to several Member States and Afghan interlocutors, the southern route via Pakistan and the Indian Ocean and the route via the Islamic Republic of Iran, Turkey and the Balkans remain the most important trafficking routes for heroin, moving about 50 per cent and 25 per cent of total heroin production, respectively. About 15 per cent goes via Tajikistan.

23. All interlocutors agreed that the involvement of the Taliban in the international narcotics trade continues to represent the most significant source of Taliban income. Some interlocutors of the Team estimated the total amount of income from drug production to reach around $400 million per year, while one Member State assessed this to be lower. In addition, Afghan interlocutors of the Team explained that the Taliban generated several hundred million United States dollars from illicit mineral extraction, taxation, income from extortion involving mobile communications and electrical distribution, and external donations. However, interlocutors of the Team explained that estimates of income figures for the Taliban are always based on a range of assumptions and therefore are prone to be over- or underestimated. One Member State estimated that the Taliban's total income per year from all sources amounts to around $250 million, of which narcotics-derived income accounts for around 60 per cent, with taxation/extortion and mining representing the next two largest contributors. Nevertheless, all interlocutors of the Team agreed that the Taliban are not experiencing a significant shortfall of financial assets even though some information seems to point to the fact that the Taliban experienced challenges in soliciting donations from donors outside Afghanistan during 2016.

24. The Team has been highlighting Taliban asset generation based on the illegal extraction of natural resources as well as extortion from commercial mining operations in Afghanistan in its reports since the end of 2014, and has presented a range of recommendations on the issue (see S/2015/79, paras. 22-30; S/2015/648, paras. 42-47; and S/2016/842, paras. 49-54). In addition, the Team is in regular contact with the Afghan authorities, who explained to the Team that the income generated from illegal mining activities as well as extortion from legitimate mining operations in the country is an ongoing concern for the Government. While the interlocutors of the Team highlighted that it is a challenge to estimate the amount of income generated by the Taliban from these activities, it is clear that the sums are substantial. The interlocutors of the Team emphasized that in addition to generating income for the Taliban, illegally extracted mineral resources also represent a loss of revenue for the Government of Afghanistan. Therefore, any action that hinders the ability of the Taliban to generate income from this sector would be helpful not only in reducing assets available to the Taliban, but also in ensuring that the revenue loss for the Government is reduced. As the Taliban need to bring these illegally extracted natural resources onto the licit international market, facilitators supporting the Taliban in this business are particularly vulnerable to the global publicity of listing their names or the names of entities under their control as facilitating this illegal trade. Listing would have a significant impact on their ability to conduct business of any kind in the future.

25. **The Monitoring Team recommends that the Committee write to all Member States emphasizing that any activity that facilitates income generation for the Taliban could be covered by the listing criteria outlined in paragraph 2 of Security Council resolution 2255 (2015) and highlighting the particular**

vulnerability of Taliban facilitators supporting the Taliban in the narcotics trade as well as the trade in illegally extracted natural resources. In the same communication, the Committee would also encourage those Member States that have not yet done so, in accordance with their national laws and regulations, to propose such facilitators for listing on the 1988 (2011) sanctions list.

II. Reconciliation

A. Gulbuddin Hekmatyar and Hizb-i Islami

26. On 3 February 2017, Hizb-i Islami leader Gulbuddin Hekmatyar was delisted from the ISIL (Da'esh) and Al-Qaida sanctions list.[11] According to Afghan interlocutors of the Team, Gulbuddin Hekmatyar originally planned to return to Afghanistan at the beginning of March 2017, but his return was delayed until the end of April 2017.[12] According to Afghan officials, the Government has approved two housing locations for Hekmatyar in Kabul's Bagrami and Deh Sabz districts. Media reports outlined that Hekmatyar entered Kabul on 4 May 2017.[13]

27. Afghan officials underlined that the Government is working on the Afghan national peace and reconciliation strategy, using the delisting of Hekmatyar as an opportunity to give strategic direction and reshape the functions and reduce the structure of the High Peace Council within the framework of a wider peace and reconciliation architecture. Currently, the High Peace Council consists of 84 members, 54 of whom are on paid salaries, while the remaining 30 are nominated as honorary members. Afghan officials also emphasized that a significant number of technical and support staff in Kabul and at the provincial level are paid by the Government as well.

28. According to Afghan interlocutors of the Team, the main task of the High Peace Council is to focus on building consensus around the peace process at the national level and create space for peace among fellow Afghans, by including all parts of society. Furthermore, the High Peace Council intends to play a central monitoring role in disarmament, demobilization, outreach to victims and the release of prisoners. Official interlocutors of the Team highlighted that all government institutions would be working in close cooperation with the Council. The overall coordination for peace and reconciliation would lie with the National Security Council, which would provide oversight to all peace and reconciliation activities and back the efforts of the High Peace Council.

B. Taliban

29. Afghan interlocutors of the Monitoring Team reported that they saw no deliberate movement of the Taliban towards reconciliation. While the recent peace agreement with Hizb-i Islami and the delisting of Gulbuddin Hekmatyar was viewed as a template that would eventually be used to negotiate with the Taliban, the

[11] Security Council, press release, "Security Council ISIL (Da'esh) and Al-Qaida Sanctions Committee removes one entry from its sanctions list", 3 February 2017. Available from https://www.un.org/press/en/2017/sc12705.doc.htm.

[12] Several local and international media articles reported his return. See, for example, Tamim Hamid, "Hekmatyar's return met with mixed reaction", Tolo News, 29 April 2017; "Hekmatyar speaks publically for the first time in 20 years", Tolo News, 29 April 2017; and Pamela Constable, "The long-anticipated return of Afghan warlord Gulbuddin Hekmatyar is here", *Washington Post*, 29 April 2017.

[13] "Hekmatyar returns to Kabul after 20 years in hiding", Al Jazeera, 4 May 2017.

prospects for reconciliation with the Taliban appear distant, and it was expected that the Taliban would push for further territorial gains in 2017 that would allow them a position of strength if they came to negotiate with the Government of Afghanistan.

III. Islamic State in Iraq and the Levant in Afghanistan

30. According to Afghan interlocutors and Member States, during 2016, ISIL in Afghanistan tried to establish itself in a number of areas in the Afghanistan-Pakistan border region, but as a fighting force it has been severely degraded by Afghan and international military operations in close cooperation with international air support. Currently, the group only has a significant presence in three districts of Nangarhar Province along the border with Pakistan. Afghan interlocutors reported that the ideology of ISIL does not fit well with most Afghans and the group has generally failed to gain popular support, not least due to its harsh treatment of local populations and inflexible view of Sharia law. Nevertheless, several Member States, as well as Afghan interlocutors, remain concerned by the ability of the group to radicalize young Afghans in particular. Current estimates of the strength of ISIL in the country vary, with a range of interlocutors speaking of between 2,000 and 4,000 fighters primarily located in Nangarhar Province. However, all interlocutors of the Team highlighted that these fighters move back and forth across the Afghanistan-Pakistan border, making it difficult to ascertain numbers with certainty. Afghan officials explained to the Team that their information indicates that ISIL maintains logistics and training bases in the Afghanistan-Pakistan border region, as well as support facilities in Kunar Province. As ISIL-core in Iraq and the Syrian Arab Republic remains under sustained military pressure, foreign terrorist fighters currently based in Iraq and the Syrian Arab Republic may attempt to travel to Afghanistan to join groups including ISIL. However, at present none of the interlocutors of the Team has information concerning a major relocation of foreign terrorist fighters to the region. One Afghan interlocutor reported to the Monitoring Team that in early April 2017, prior to a joint military operation named "Operation Hamza" being conducted by Afghan and international forces in the districts of Achin and Kot, Nangarhar Province, and prior to international air strikes in the province, ISIL fighters in the area numbered approximately 2,400, but this figure was subsequently reduced as a result of both casualties and the displacement of fighters. Most recently, Afghan interlocutors gave estimates of current ISIL strength in Nangarhar Province ranging between 750 and 2,000 fighters.

31. According to Afghan and international officials, ISIL in Afghanistan continues to appear to be well equipped and funded, with interlocutors reporting that it pays its fighters between $200 and $500 per month: some of this funding appears to have been provided to it by ISIL-core. One Member State reported that ISIL in Afghanistan is still in regular contact with ISIL-core in Iraq and the Syrian Arab Republic. This includes monthly transfers of around $100,000 from ISIL-core to Afghanistan. This Member State highlighted that while the group pays its fighters from around $500 to $600 per month at the early stages of the individual joining, such salaries are not maintained. The initial salary, which is higher than the salaries Taliban fighters receive, is used as a recruitment tool. Over time, as the individual remains with the group, the salary drops to around $200 per month, which is also the average salary a Taliban fighter receives.

32. In addition to financial support, increasingly in the past few months ISIL-core has started to communicate a set of expectations to its affiliates, including ISIL in Afghanistan. ISIL-core wants its affiliates to be more active and has demanded that they develop means to finance themselves independently. According to one Member State, ISIL-core has specifically demanded in Afghanistan that the group attempt to

push towards the north of the country. However, despite the recruitment efforts of ISIL in the north of Afghanistan over the past three years, the group has not managed to establish a viable fighting force there. Nonetheless, its recruitment efforts there are a concern for countries neighbouring Afghanistan to the north.

33. One interlocutor of the Team explained that a delegation from ISIL-core visited ISIL in Nangarhar Province in January 2017. Although the details on the delegation remain vague, this information suggests an ongoing linkage between the core and the group's presence in Afghanistan. Several international interlocutors of the Team highlighted that ISIL in Nangarhar Province maintains strict communication discipline and regularly controls the mobile phones of its fighters to check which contacts they maintain.

34. Even though there have been military successes against ISIL in Nangarhar Province that have degraded their numbers and fighting ability, the group has been able to regenerate after battlefield losses and also launch at least one high-profile attack in July 2016, causing large loss of life against an ethnic Hazara demonstration in Kabul.[14] Interlocutors of the Team reported that this attack was led by an individual named Qari Munib (not listed), who was killed in air strikes in Nuristan Province in early 2017. These interlocutors explained to the Team that the attack was conducted by fighters previously loyal to the Haqqani Network (TAe.012). ISIL in Afghanistan also claimed responsibility for another high-profile attack, against a military hospital in Kabul on 8 March 2017, in which more than 50 were reportedly killed and that subsequently gained international media coverage.[15]

35. According to international interlocutors of the Team, operational aspects of ISIL attacks in neighbouring Pakistan seem in some instances to be "outsourced" to other groups, including Lashkar I Janghvi (QDe.096). Lashkar I Janghvi initially claimed responsibility for the October 2016 attack on the police training college in Quetta, Pakistan, that was also subsequently claimed by ISIL.[16] The attack on the Lal Shahbaz Qalandar Sufi shrine in southern Pakistan on 16 February 2017, in which more than 70 people were killed, was reported as having been conducted by Jamaat-ul-Ahrar, a splinter group of Tehrik-e Taliban Pakistan (QDe.132), and was also subsequently claimed by ISIL.[17] Several interlocutors of the Team highlighted that in their assessment, ISIL in Afghanistan is also connected to radical madrassas in Pakistan, with the Ganj Madrassa (not listed) being the most important one.

IV. Foreign terrorist fighters in Afghanistan

36. According to Afghan interlocutors, the situation concerning foreign terrorist fighters operating in Afghanistan remains unchanged. The majority of foreign terrorist fighters present in the country have previously operated in the Afghanistan-Pakistan border region, having fled into Afghanistan as a result of military pressure levied by the security forces of Pakistan. Additionally, Afghan officials explained that during the 2016 fighting season, a number of Russian-speaking fighters, as well as Chinese minority Uighurs and occasionally Arabs were observed, arrested and killed inside Afghanistan. However, Afghan officials highlighted that even when

[14] See, for example, "Kabul explosion: IS 'claims attack on Hazara protest'", BBC News, 23 July 2016.

[15] See, for example, "Over 30 dead in attack on military hospital in Kabul-defense ministry", Russia Today, 8 March 2017.

[16] See, for example, Andrew Marszal, "ISIL 'took part' in Quetta attack, says Pakistani terror group ally", *Telegraph*, 26 October 2016.

[17] See, for example, "Blast hits Pakistan's Lal Shahbaz Qalandar Sufi shrine", Al Jazeera, 17 February 2017.

foreign terrorist fighters are captured, it is very difficult for the Afghan forces to distinguish them in terms of nationality, not least because many of them have learned to speak Pashto and will not admit to their nationality of origin.

37. There are no indications to date that foreign terrorist fighters from the Syrian Arab Republic and Iraq have returned or relocated to Afghanistan in significant numbers. However, one Afghan interlocutor indicated that a group of over 100 relocated at the beginning of February 2017 and that a further small group of up to 20 arrived towards the end of March. Both groups are believed to have travelled from conflict zones in the Syrian Arab Republic and Iraq. Numbers of foreign terrorist fighters are reported to vary over time, with estimates of as many as 8,000-10,000 during the peak fighting season, with reductions in numbers during the rest of the year. Afghan Government interlocutors indicated that on the basis of foreign terrorist fighter casualty statistics, more than three quarters were of Pakistani nationality, with the next most represented nationality being Uzbek.

38. According to several Afghan and international interlocutors of the Team, foreign terrorist fighters are noticeably concentrated in areas inside Afghanistan where Government control is weakened. Operation Zarb-e-Azb, the Pakistani military offensive in Waziristan that began in 2014, has resulted in the displacement of many experienced foreign terrorist fighters across the border into Afghanistan. According to Afghan officials, one key entry point for this influx has been Zabul Province, where Afghan Government control is limited to a number of district administrative centres and to the main strategic line of communication, Highway 1, connecting Kandahar and Zabul with the north of the country. According to Afghan interlocutors, Zabul Province is seen as a strategic point by the Taliban as it provides the ability to move fighters between Waziristan and Uruzgan and Helmand provinces. In addition, control over key areas in Zabul Province also allows for the unhindered movement of both Taliban and foreign terrorist fighters to key front-line areas. Afghan officials highlighted that a second such corridor exists northwards into Ghazni Province.

39. Afghan interlocutors identified a developed network of foreign terrorist fighters and Al-Qaida in Zabul Province that provided support and specialized assistance to the Taliban. The interlocutors of the Team highlighted that Zabul Province is seen by the Taliban as a key area for safe havens and training camps, often run by various foreign terrorist fighters, in particular Pakistani, Uzbek and Chinese minority Uighur, grouped according to their respective nationalities. Afghan officials reported that approximately 762 families of foreign terrorist fighters were living in that province, with 715 of them being located in one district alone, Khak-e-Afghan. The total number of armed foreign terrorist fighters in Zabul Province was estimated to be between 1,200 and 2,500, compared to 2,700 Taliban.

40. According to several Afghan and international officials, foreign terrorist fighters within Afghanistan are closely cooperating with and operate under Taliban command and control, although friction occasionally arises between the various groups. The main reason for this, according to Afghan security officials, is the level of financial support received by groups of foreign terrorist fighters. Such financial support enabled foreign terrorist fighters to pay inflated amounts for local rented accommodation and other subsistence items. This had caused concern among the Taliban leadership in Zabul, who feared that the local population would, over time, develop greater loyalty to groups of foreign terrorist fighters owing to financial dependency or even be more inclined to join such groups in preference to the local Taliban due to potentially greater financial benefits.

V. Sanctions implementation

A. Travel ban

41. Similar to its past reports,[18] the Team continued to receive regular media reports alleging the travel of individuals listed on the 1988 (2011) sanctions list. In many cases, media reports allege that the travel of these listed individuals is related to ongoing efforts to start direct negotiations between the Taliban movement and the Government of Afghanistan. While the Monitoring Team has not received official confirmation of any of those potential violations of the travel ban by a Member State, these reports demonstrate that the implementation of the travel ban remains a challenge. In paragraphs 19 and 20 of resolution 2255 (2015), specific exemption procedures relating to the travel ban and asset freeze are outlined in case travel of a listed individual to participate in meetings in support of peace and reconciliation is deemed necessary.

42. **Given the persistence of national, regional and international media reports alleging the travel of listed individuals, the Monitoring Team recommends that the Committee write to all Member States highlighting the usefulness of the exemption procedures set out in paragraphs 19 and 20 of resolution 2255 (2015) for the participation of listed individuals in meetings in support of peace and reconciliation, and encouraging those that have not yet done so to make active use of these procedures.**

B. Asset freeze

43. The Government of Afghanistan continues to develop the domestic, legal and regulatory system guiding the country's financial sector. In addition to the issuance by the Attorney General of Afghanistan of the standing order on freezing assets pursuant to the ISIL (Da'esh) and Al-Qaida and the 1988 (2011) sanctions regimes,[19] the Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA) has now also published guidelines for the procedure of freezing domestic terrorist assets on its website.[20] Afghan officials outlined to the Team that FinTRACA currently works on creating more effective channels of communication and information exchange with several security agencies of Afghanistan in order to broaden the information flow beyond the financial information provided in the suspicious transaction reports (STRs) that FinTRACA receives from financial institutions.[21]

44. FinTRACA continues to issue, manage and, if necessary, revoke money service provider licences in Afghanistan. In this regard, significant progress continues to be achieved. Currently, 909 money service providers in all regions of Afghanistan have an active licence, while 121 licences have been revoked by FinTRACA. In the assessment of the Team, this licence system continues to demonstrate regional best practice in regulating this aspect of the financial sector. The overview of the individual licences granted and revoked for money service providers is a very helpful tool for international interlocutors of the Afghan

[18] See, for example, S/2016/842, para. 38.

[19] Ibid., para. 46.

[20] See www.fintraca.gov.af/assets/Guideline/Terrorist%20Assets%20Freezing%20Procedure.pdf.

[21] According to the 2016 annual report of the Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA), the organization received 438 suspicious transaction reports from banking institutions during 2016. See www.fintraca.gov.af/assets/Annual%20Report/FinTRACA_Annual%20Report_2016.pdf.

financial sector. Since the Team continues to receive information from Member States outlining continuing and regular transactions between ISIL-core in the Syrian Arab Republic and Iraq and ISIL in Afghanistan, the information provided by FinTRACA[22] may also potentially be of importance in this regard.

45. **Therefore, the Monitoring Team recommends that the Committee write to Member States highlighting the licensing system for money service providers in Afghanistan and encouraging those that have not yet done so, in accordance with their national laws and regulations, to encourage their respective financial institutions to actively use the information provided by FinTRACA on money service providers operating in Afghanistan in their financial due diligence processes concerning transactions related to the Afghan financial system.**

C. Arms embargo

1. Improvised explosive devices

46. The Monitoring Team learned of no significant changes in the design or use of improvised explosive devices in Afghanistan. Afghan and international officials highlighted to the Team that the use of such devices by the Taliban slightly reduced in 2016 as the Taliban resorted to more traditional military tactics.[23] In addition, international interlocutors of the Team expect that the indiscriminate use of improvised explosive devices and the blocking of civilian infrastructure, such as roads, observed in 2016 (see S/2016/842, para. 55) is likely to lessen in 2017 as it is reported that the Taliban understand that this runs counter to their efforts to win the "hearts and minds" of the local population. Therefore, in the assessment of these interlocutors, it is likely that the Taliban will use improvised explosive devices during the current fighting season mainly for military purposes, such as denying territory to Afghan security forces and inhibiting both supply lines and access roads.

47. In the early part of 2017, an increasing number of commercially available drones were reported to have been seen over Kabul. It is as yet undetermined whether these are being used privately or whether some may be related to the insurgency. International interlocutors of the Team explained that during the 2016 fighting season, the Taliban used such drones mainly to shoot propaganda videos. Unlike in Iraq, where large numbers of similar drones have been used by ISIL for reconnaissance and to drop explosives on Iraqi forces, including using swarms of drones to reach their objective, the use of drones by the Taliban is characterized by these interlocutors as still fairly unsophisticated. To date, it is understood that drones have not yet been used to drop explosives on opposing forces.

48. **Given the emergence of the use of commercially available drones by the Taliban in Afghanistan, the Monitoring Team recommends that the Committee write to all Member States highlighting this emerging trend and encouraging**

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[22] For a complete overview of the licences by region, see www.fintraca.gov.af/MSPsStatistics.html. The FinTRACA website also allows the download of a complete list of all active licences, revoked licences and licences that are no longer active because the respective money service provider has quit its business. According to the FinTRACA website, the organization levied a total amount of 3,233,300 afghanis in fines against money service providers in 2016 and 649,200 afghanis in fines in the first months of 2017. In addition, the organization issued 55 warning letters to money service providers in the country. See www.fintraca.gov.af/Enforcement.html.

[23] The United Nations Assistance Mission in Afghanistan (UNAMA) reported a slight decrease in civilian casualties caused by improvised explosive devices. However, with 2,156 civilian deaths caused by such devices, the number continues to be at "unacceptable levels". See UNAMA and Office of the United Nations High Commissioner for Human Rights, "Afghanistan: protection of civilians in armed conflict — annual report 2016" (Kabul, 2017), p. 59.

those that have not yet done so, in accordance with their national laws and regulations, to highlight this risk to their relevant business stakeholders in the field and encourage the exercise of enhanced due diligence when exporting such devices to Afghanistan.

2. Arms and ammunition

49. All interlocutors of the Team explained that the supply to the Taliban of small arms and ammunition seems to be ongoing without major disruptions. While reliable statistics concerning such supplies are difficult to generate, the interlocutors of the Team explained that at no point during the past fighting season did the Taliban experience a shortage of such supplies.

VI. Work of the monitoring team

A. Cooperation with Member States and academic and civil society experts

50. The Monitoring Team cooperates closely with the Government of Afghanistan on a continuous basis and has started to undertake a schedule of frequent visits to the country in 2017. At the end of 2016, the Monitoring Team participated in the visit of the Chair of the 1988 (2011) and ISIL (Da'esh) and Al-Qaida sanctions committees to the country. During its visits, the Team gathered information on the situation in Afghanistan for the present report, in addition to information obtained during various country visits and several regional and international intelligence service meetings. The Team also continued to engage academic and civil society experts on the Taliban movement and the situation in Afghanistan. Since October 2016, the Team has engaged with Afghan analysts and academics during its visits to the country. In addition, the Team has engaged academic experts on Afghanistan in the Russian Federation, the United States of America and Europe.

B. Cooperation with regional organizations

51. In addition to its ongoing cooperation with the Government of Afghanistan, the Monitoring Team continues to work with Combined Maritime Forces Combined Task Force 150 (CTF-150) in Manama and UNODC to identify and analyse Taliban involvement on drug flows out of Afghanistan across the Indian Ocean (ibid., para. 65). As part of this work, the Monitoring Team engages in ongoing regional work coordinated by UNODC focusing on countering the flow of drugs across the Indian Ocean originating from Afghanistan. The Monitoring Team's engagement with this project is focused primarily on cooperation with relevant Afghan and regional agencies to identify areas of production of heroin in Afghanistan which is then smuggled to a range of countries worldwide, but primarily to Europe and Asia. The objective for the Monitoring Team is to identify those individuals and networks behind large-scale drug trafficking in support of the Taliban and work with Member States with the aim of generating proposals for sanctions listing of those individuals and/or entities.

52. The Monitoring Team attended the regional meeting of heads of national drug law enforcement agencies and the subsequent high-level meeting of interior ministers of the Indian Ocean region to counter drug trafficking, held in Colombo on 28 and 29 October 2016. The meeting agreed a number of action points resulting from the discussion, including, in situations in which prosecutions are unattainable, the exploration of possible listings under the resolution 2255 (2015) sanctions

mechanism to impose targeted sanctions, in particular the asset freeze and travel ban on suspected leaders of drug trafficking networks as facilitators of the Taliban. Such facilitators are particularly vulnerable with regard to asset freeze and travel ban measures, since their work requires frequent travel as well as interlinking with the legitimate economy in order to launder proceeds from the drug trade. The Indian Ocean States and all agencies present were encouraged to work closely with the Monitoring Team on this issue. The Monitoring Team also contributed to a UNODC regional meeting of experts on anti-money-laundering from law enforcement agencies, financial intelligence units and ministries of finance, hosted by UNODC in Zanzibar, United Republic of Tanzania, from 28 February to 3 March 2017, with a view to sharing information and best practices on disrupting the financial flows associated with drug trafficking in the region. The Team updates the Committee on a regular basis on the progress of this particular project.

53. In a similar manner, the Team continues to engage with the Collective Security Treaty Organization in order to identify Taliban involvement in the flow of narcotics through the so-called "northern route". The Team has also engaged the Shanghai Cooperation Organization on this issue.

C. Cooperation with other United Nations bodies

54. The Monitoring Team continues to cooperate closely with the United Nations Assistance Mission in Afghanistan (UNAMA) and is grateful for the support the Team receives on a regular basis from UNAMA under the leadership of the Special Representative of the Secretary-General for Afghanistan and Head of UNAMA, Tadamichi Yamamoto, during and in between its visits to the country. In addition, the Team continues to engage with relevant UNODC experts on the drug economy in Afghanistan.

D. Cooperation between the Security Council and the International Criminal Police Organization

55. The Monitoring Team has established intensive and frequent cooperation with the National Central Bureau of the International Criminal Police Organization (INTERPOL) in Kabul. This cooperation regularly results in the exchange of threat assessments and the provision of official information on listed individuals to the Team. In addition to the National Central Bureau of INTERPOL in Kabul, the Team also cooperates closely with various INTERPOL working groups and departments at the headquarters of the organization in Lyon, France. Thanks to the work of the INTERPOL New York Liaison Office and United Nations staff members mandated to support the work of the Monitoring Team, the Team has also received relevant information on listed individuals and entities from various INTERPOL national central bureaux located in Member States. The Team also took part in regional United Nations sanctions training workshops organized by INTERPOL to raise awareness of the 1988 (2011) sanctions regime with relevant stakeholders.

E. Contributing to the public debate

56. The Team welcomes feedback on the analysis and suggestions contained in the present report, which can be sent by email (1988mt@un.org).